UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/50/983
26 June 1996

ORIGINAL: ENGLISH

Fiftieth session
Agenda item 138

ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS

Management review officers and roving finance officers

Report of the Secretary-General

I. BACKGROUND

1. The present document is submitted pursuant to the request of the General Assembly in its resolution 49/233 of 23 December 1994, section X, entitled "Oversight", for a report by the Secretary-General further clarifying the concepts of a management review officer and a roving finance officer, as well as the accountability of programme managers in peace-keeping operations.

2. During the past few years, a number of initiatives have been undertaken by the Secretariat in the light of issues arising from the dramatic increase in the number and relative size of peace-keeping operations and the respective complexity of their mandates. Many of these initiatives, addressing a broad spectrum of proposed improvements in the management and administration of peace-keeping operations, were introduced in a report of the Secretary-General to the General Assembly on effective planning, budgeting and administration of peace-keeping operations (A/48/945). With a view to improving programme performance by strengthening management control while minimizing inefficiency, waste and opportunities for fraud, particular attention has been directed to strengthening oversight, internal control and review mechanisms.

3. In addition to oversight and control mechanisms which promote corrective actions once weaknesses are identified, the Secretary-General has also recognized the need to strengthen the proactive management review capacity in peace-keeping missions. A certain level of management capacity must be provided to the missions, which would contribute to a preventive treatment of weaknesses in programme implementation and ensure that management procedures and practices are in compliance with United Nations regulations and rules. Especially in

respect of modern, multi-component peace-keeping operations, management must be alert to developments and responsive in coordinating the implementation of numerous interrelated projects and administrative activities through the various phases of the mission's existence, from start-up through eventual liquidation. It is in this context that the proposals for resident auditors, management review officers and roving finance officers were developed.

4. These proposals were well received by the legislative bodies, though the Advisory Committee on Administrative and Budgetary Questions recommended that several required further development or clearer and more detailed guidelines (see A/49/664). Many of the fully developed initiatives, meanwhile, were already being implemented. Among them, the assignment of resident auditors to large peace-keeping operations and the inclusion of finance officers in the planning/survey mission process have played a particularly useful role. However, as pointed out in the report of the Office of Inspections and Investigation for the period 1993-1994 (A/49/449), controls must be an integral part of peace-keeping operations and the accountability process, and not merely an administrative add-on. Therefore, the full complement of proposed mechanisms is necessary, as they are interlinked and serve to support each other at many levels in the field, as well as at Headquarters.

II. ROVING FINANCE OFFICERS

5. One of the most crucial problems facing peace-keeping operations and other special missions, particularly at the early stages of implementation, is the shortage of experienced civilian administrative staff. Insufficient staffing has a direct impact upon the ability of the mission administration to provide the required operational support, which in turn can affect the ability of the mission as a whole to fulfil its mandate. Not surprisingly, the mission leadership staff will often react with ad hoc staffing and other arrangements to meet the most pressing needs. It is often also true that insufficient numbers of personnel are available to operate a control system. The assignment of resident auditors alone is not sufficient to ensure the effectiveness of internal controls.

6. One mechanism for addressing the shortage of experienced finance staff, particularly during the start-up or expansion phases of missions, has been the temporary assignment of trained personnel from Headquarters or other field missions to assist until the mission is better staffed. This is generally used only as a stopgap measure, to meet a specific need for a limited period. However, experienced staff could be similarly utilized on a more regular basis, when general or specific assistance is needed during any stage of the mission life cycle, from planning through liquidation. This "roving finance officer" function thus represents an important capability for prompt response from Headquarters, at minimal cost, to provide operational support when required in the field.

7. Roving finance officers could be drawn for temporary assignments from either the Department of Peace-keeping Operations or other parts of the Organization, in particular the Department of Administration and Management. They would be called upon to participate in mission planning surveys, and as

needed to assist in the start-up or expansion of missions, liquidation of missions, general "trouble shooting" and staff training. Roving finance officer functions can be categorized as follows: (a) financial planning; (b) financial management; (c) operational support; and (d) review and control. While the potential uses for such roving finance officers could ostensibly warrant the establishment of several distinct full-time posts, performance of these functions does not necessarily require the addition of new staff; the stated functions have been performed by existing staff and staff can continue to be drawn from existing resources. Care will need to be taken, however, to ensure the continued availability of adequate mission travel budgets.

8. At the onset of a new operation, a critical element of the planning process is a technical survey of the proposed area of operation. Based on the proposed mandate for the operation, a survey team is fielded to assess the local conditions and resources available to support the mission; this information then provides a basis for translating the mandate into an operational and support plan, an organizational structure, and a budget. Finance officers should form an integral component of the survey team (as has been the case recently in Georgia, Tajikistan, Rwanda and Haiti). The finance officers then return to Headquarters with a broad understanding of local conditions and constraints, and the cost estimates that result will more clearly reflect the specific operational and logistical realities of the mission. This in turn greatly increases the credibility of the budgets submitted to the legislative bodies for approval and the ability of the Secretariat to support and defend them.

9. As indicated elsewhere by the Secretary-General, the early stages of planning and organizing a field mission should be entrusted to the most qualified, experienced - and readily available - personnel; this has been the basis for development of the concept of start-up teams. In addition to participating in preliminary surveys, roving finance officers also provide important support at the start-up phase of missions. As members of the start-up team roster, these officers can ensure at the outset of a mission that appropriate financial systems and procedures are established and administrative policies implemented in accordance with the Financial Regulations and Rules of the United Nations. They may thus be called upon to act as Chief Finance Officers until such time as they are replaced by the designated mission staff. Given sufficient capacity, such officers could also be called upon to provide operational support to any location where the staffing situation is temporarily critical or a particular project requires experienced assistance.

10. Another significant roving finance officer function is to serve as "trouble shooters" for existing missions, as required by either United Nations Headquarters New York or by the mission itself. They can provide guidance where shortcomings or difficulties may have arisen, advising on how to implement the required improvements or helping to set up corrective mechanisms. Visits by roving finance officers in this capacity could also provide an overview of the financial functioning of a mission in advance of specific problems, with an eye towards preventing any potential difficulties from arising. Providing another level of review and control for the missions, roving finance officers can help to ensure compliance with existing policies and procedures through "operational status reviews", assist in the implementation of changes or procedures pointed out for corrective action by the oversight mechanism and provide support in the

preparation of performance reports. In this manner, the broad experience of finance officers familiar with both Headquarters and field operations can be utilized to the maximum benefit of the Organization.

11. The effective closure of field missions, in terms of timeliness and lowest possible cost, necessitates thorough planning and a correspondingly orchestrated liquidation process, with the participation of both Headquarters and the mission. Therefore, it is essential that a liquidation planning cell, with adequate resources, be established as early as possible. It is particularly important that the planning process include qualified personnel so as to ensure proper classification, inventory and valuation of the assets of the operation, and to recommend their final disposition. Roving finance officers may provide input as required in these planning efforts, as well as support during the process itself. Their assistance may also be invaluable in the range of financial responsibilities in missions relating to and arising from their final closure.

12. Last but not least, roving finance officers, because of their extensive previous field experience in different situations, play an important role in the training of personnel on administrative and finance issues prior to deployment to the field. As highlighted in the recent training sessions organized by the Department of Peace-keeping Operations and the Department of Administration and Management, this input is extremely valuable in providing a perspective of the particular types of activities and problems which can be encountered in the mission environment.

13. Roving finance officers, as noted above, can be drawn from various areas within the United Nations system, so far as there are sufficient staff resources in their respective departments, services or units to allow them to leave temporarily the functions they carry out without detriment to the quality and delivery of those functions. To be considered for such an assignment, however, it is necessary that the officer has a strong background as a financial manager, extensive field experience and an understanding of peace-keeping operations. Financial management and planning experience is essential, since these officers must be able to identify anomalies requiring application of the established regulations and rules, with which they must be fully familiar. Ideally, a pool of at least four experienced finance officers should be established to carry out the "roving" functions on a temporary assignment basis. A roster of such individuals from the Department of Peace-keeping Operations, the Department of Administration and Management, the Office of Programme Planning, Budget and Accounts and other offices could be maintained to ensure immediate availability if and when their services are required. To ensure at least a limited capacity to provide such officers within existing resources, the Department of Peace-keeping Operations has been redesigning some of the professional jobs in its Finance Management and Support Service to include the relevant skills and functions. It is now well advanced in that process and will soon be able to expand its present limited capacity to field such officers.

III. MANAGEMENT REVIEW OFFICERS

14. At present, there is insufficient capacity to undertake management review and control functions. However, experience has shown that proactive management review capability in missions to address potential problems before they develop is often not sufficient. The Secretary-General believes that management should be able to introduce, implement and monitor compliance of internal procedures on a regular basis so as to respond to frequent concerns raised by internal and external oversight bodies. This can be achieved by providing missions with a management capacity in the form of "management review officers", who can contribute to the preventive treatment of weaknesses and the overall coordination of programme implementation. This function is particularly important within the complex, multifunctional and dynamic structure of large peace-keeping operations, which are more project-oriented and phased in their execution.

15. Whereas roving finance officers are based at Headquarters or other substantial offices, on call to serve in missions on a short-term basis as the need arises, the functions of management review officer would be performed by a mission staff member, in a more proactive capacity, providing day-to-day executive support to the Chief Administrative Officer or Director of Administration and advice to various units within the mission. The management review officers will undertake operational reviews of mission management procedures and practices, making recommendations for improvements at an early stage and providing overall guidance for their implementation. They will provide assistance in policy guidance and monitoring of compliance with internal control procedures in the field, as well as in the coordination of programme delivery and collection/validation of related performance data. In this manner, they will assist in alleviating weaknesses in processes and procedures that are likely to be found in certain areas where there are not sufficient experienced and qualified staff available for assignment to the mission. The management review officer will provide valuable support to the administration in ensuring operational accountability and in determining whether adequate resources and appropriate management tools are in existence in the mission to enable effective discharge of administrative and management functions.

16. The functions of management review officers can be summarized in three broad categories: (a) review and analysis of existing management practices; (b) streamlining and improvement of management practices and programme coordination; and (c) establishing and implementing follow-up mechanisms for corrective action.

17. Management review officers will, as the name implies, provide the missions with an active monitoring mechanism as a part of their internal management structure, reducing the reliance on periodic reviews from outside the chain of authority as the primary source of assessments and recommendations. Review and analysis of existing management practices by the management review officers will be directed foremost to programme accomplishment, by ascertaining actual performance compared to programmed performance and identifying areas for improvement, or policies to be reviewed by the proper authorities. The function includes evaluating overall effectiveness of programme delivery and will take account of any recommendations from the Office of Internal Oversight Services.

It will accordingly address the different management systems involved in the mission, including planning, procurement, project implementation/operations, assets management, reporting and accountability of management actions. This review and analysis will be carried out with a view to ensuring a well-coordinated approach to the various components of the mission, as well as to ensuring conformance with the existing United Nations Financial Regulations and Rules, Staff Regulations and Rules, Field Administration Manual, Finance Manual, Personnel Manual, established personnel administration policies and procedures, and standard logistics operating practices.

18. Having gained a thorough understanding of the many aspects of a mission, the management review officer will be able to provide well-reasoned, implementable recommendations for streamlining and improving specific management practices, policies and procedures with a view to maximizing efficiency and economy. The management review officer could be involved at the level of project design, ensuring proper identification of the relevant linkages between components and inclusion of measurable performance indicators or milestones. Because of the interdependencies inherent in the various components of a mission, careful coordination of their activities is essential; the management review officer will occupy a clear vantage point from which to assist in promoting necessary measures to guarantee this coordination through the successive phases of the mission. Management policy would be developed in full consultation with the relevant managers, addressing the various levels of programme management and coordination throughout the mission, extending if necessary to proposals for promulgation of new organizational policies.

19. In addition to developing management policy for the missions, it will also be a function of the management review officer to assist the Head of Administration in expediting implementation of approved managerial policy, as well as of guidance received from legislative bodies and of recommendations issued by oversight bodies. Follow-up mechanisms in the mission will be closely monitored to ensure that any remedial steps or corrective actions recommended by the auditors are taken promptly, and are accordingly reported. A review schedule will therefore be set up to determine not only implementation but the effectiveness of the modifications or improvements made. Thus, the activities of management review officers within missions should result in a continuous programme of review, development and implementation of managerial policy, and subsequent review and evaluation, providing an invaluable management control tool for the mission's Head of Administration.

20. Notwithstanding the importance of coordination and oversight functions, the true basis for successful execution of management functions is effective planning. A mandate authorized by the Security Council provides the framework for formulation of a detailed operational plan for a peace-keeping operation or mission. Derived from that plan, the mission budget summarizes the range of outputs, services and activities to be delivered during the authorized period. Management review officers can participate in the initial planning for missions, and later assist the Heads of Administration of the mission in elaborating plans with specific objectives that will guide the entities concerned in the field, as well as defining tasks to be undertaken to meet those objectives. Clearly setting out the objectives and tasks of each unit in the field will serve as a planning and monitoring tool to the managers themselves, facilitating reporting

and providing more effective standards for measuring performance and quality control. This will in turn highlight the accountability of managers responsible for implementing the programmes and strengthen their capacity to exercise effective managerial control.

21. It will be essential for management review officers, though they could have a background in either the public or private sector, to be familiar with the United Nations system in more than one discipline, such as personnel, finance and administration. Field experience will be equally essential, along with full knowledge of United Nations policies, procedures and regulations. Furthermore, individuals considered for such positions should have demonstrated analytic abilities and familiarity with management evaluation methodologies - for example the budget or planning officer within the office of the Head of Administration. At present, it is not the intention of the Secretary-General to seek additional resources to perform the functions of management review officer. Instead, such functions would be performed through appropriate redeployment of staff. In larger and more complex missions, it is recommended that, within the office of the Head of Administration, a discrete post of management review officer be created, with specific responsibilities for operational review of mission activities and liaison and response to audit and other oversight observations. In smaller missions, these responsibilities would be included in the job description of an appropriate staff member

IV. CONCLUSION

22. As stated above, the internal control mechanisms discussed in the present report - resident auditors, roving finance officers and management review officers - although distinct, are interlinked; they support and complement each other at different levels in the field as well as at Headquarters. Roving finance officers can provide an immediately available mechanism of operational support for financial management, planning and trouble shooting on a short-term basis. While resident auditors highlight weaknesses in missions, requesting management to ensure that remedial action is taken with appropriate follow-up action, management review officers can provide missions with a management capacity which can focus on the monitoring of systems and preventive control. Management review officers would not only assist in making recommendations for new policies and procedures, but would also initiate the process for implementation of those improved management systems or set priorities for their implementation. In addition, while resident auditors are part of the Office of Internal Oversight Services and function independently from the administration of the mission, management review officers form a part of the mission management structure, reporting directly to the Head of Administration.

23. The objective of the introduction of resident auditors, roving finance officers and management review officers to peace-keeping operations is to strengthen and improve the management of those operations, by providing support to the respective managers, at Headquarters and in the field, contributing to enhanced performance and increased productivity in executing the legislative mandates of the missions. Constant communication of their findings, comments or recommendations through a system of reporting to the Department of Peace-keeping Operations, the Department of Administration and Management and the Office of

Internal Oversight Services should provide an essential element of support, while streamlining the tasks related to internal oversight, control and review.

24. These three mechanisms support the system of accountability and responsibility of peace-keeping programme managers, ensuring effective and efficient administration of personnel and financial resources allocated to them.